

Annual Report 2004-2005

MISSION

ABOLISHING CHILD LABOUR & EMPOWERING WOMEN



VISION

MAKING EDUCATION A REALITY FOR EVERY CHILD AND EMPOWERING POOR FAMILIES THROUGH WOMEN



HAND-IN-HAND (SWEDEN) TAMILNADU

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1. Hand in Hands Activities 2004 - 2005, summary:

The activities in India have been through major changes. Under a new management with Dr Kalpana Sankar as the CEO, two project areas have increased very strongly:

- i) Placing working children back into schools is presently up to a pace of 250 children per month. The children are channelled through "bridge schools" or "transit schools" and motivational courses before they reach the government schools. Some children are placed in our resident schools, if the home conditions are particularly bad. 1221 children have so far entered or reentered the government schools. Presently we work with some 140 government schools.
- ii) **Women Self Help Groups:** Here we have not only had a great expansion but also succeeded in getting started a big number of micro-enterprises. Everything from small activities like a milk cow, a sewing machine or a loom, to bakeries with some 10 employees, brick making, dress making and charcoal production. Presently, we have 10,000 women organized in some 500 Self Help Groups with about 300 small enterprises started.

Micro-financing is common in India and Self Help Groups exist in many places. What is unique for HiH is that we quickly get many small enterprises started. These give a lift for the women, income and employment in the poor villages.

Other activities like the Olle-school, sewing classes, village programs, medical camps etc have developed well.

The organization has increased from about 25 full time employees to 150. Out of these, about 50 have college degrees and 100 are recruited from the villages. Including replacement recruitments, this means about one newly employed per working day. The organization grows together with the expansion of the activities. What is loudable is that Dr Kalpana Sankar and her management team have been able to combine this extraordinary expansion with good quality (e.g. many projects, almost no credit losses etc.) and with good control of the activities.

2. Placing Working Children back into Schools

It was clear two years ago that evening schools did not achieve what we wanted. The only way was to get



children out of work altogether and get them into day schools fulltime. "Bonded children" (children contracted as workers by parents) was a special problem. In these cases, the parents had got a lump sum for the child, which usually had been consumed. The child further earned Rs.200-400 per month. In the beginning, we "bought out" the child for the whole amount (Rs.3-6,000) in order to avoid retaliation from the weaver-owner against the child's family and relatives. Gradually, as we became stronger and got better contacts with authorities and police, we paid only 50 % of the lump sum and now we pay nothing. We also have good support from the local Panchayat Presidents and school teachers.

A resident school, financed by the Swedish Broadcasting Corporation was inaugurated last year. There are presently 60 students and it will increase to 100 within the next few months. We have presently 7 bridge schools with some 175 students. We plan to start 4 more resident schools, one later this year and 3 next year. The cooperation with the 140 government schools goes well. We have organized meetings with the headmasters to train them to handle dropout children who may have been away from school for several years. We have also lobbied with the State of Tamil Nadu that the Govt. Schools take in "our" children any time during the year. See a special section on government schools.



We experiment with new education methods in the bridge- and residential schools. These methods have turned out to reduce the learning time dramatically. Thereby, we can reduce the time in the bridge schools substantially, sometimes from 1.5 years to 0.5 year.

This child project is demanding sources and some 75 % of the people recruited from the villages are involved in it. They go from house to house to identify which children do not go to school. (By definition then they are "working children".) Then first of all, the child must be motivated/persuaded. The parents have to abstain from the monthly income from the child and they must enter into a contract with us not to sell the child again. In the case of a "slave child", we must also deal with the reluctant employer. We had 39 "rally programs" in the villages with 4,210 participants in order to encourage their return to school.



After our motivational courses and/or bridge schools and/or residential schools, the children end up in the government school system. We have the minimum target that they shall finish the 10th grade (16 years old). The school goes up to the 12th grade. **We never give up on a child.** It is a matter of following each child and if a child drops out again, we intervene. That is why we have so many recruited from the villages. It is a matter of living in the same environment as the children and catch them when something happens.

Since these children normally come from very poor families, we help them with uniforms and school books and, in certain cases, with food packages. However, we are careful with this, since we do not want to become a "feeding organization". "Help to self help" must always be the key.

One of our biggest problems is the drop-out propensity both in the day schools and in the residential schools. It is a big transition for many children who have not participated in school work for several years or maybe not at all. They are not used to the school discipline. That

is particularly true for "tribal" children. Our goal is not to get maximum number of children into school but to get maximum number of children to stay there, at least until grade 10. As our population of children increases by 3,000/year, it is easy to see how "the burden of supervision" is increasing all the time.

One way to reduce the drop out rate both in our and in government schools is to change teaching into more of "joyful learning". Simply making it more fun to go to school. We have seen some interesting results of this already.

Every village which has got all children into school gets a certificate showing that the village is "Child Labour Free". Within 6-7 years, we expect that the whole District Kanchipuram, with 4.5 million inhabitants, will be Child Labour Free.

3. The Government Schools

The earlier working children end up, as mentioned, finally in the government schools with the target to stay there until at least the 10th grade and preferably to the 12th grade. The problem is that many of the schools are very poorly staffed with sometimes one teacher per 70-100 students. We are therefore keen to improve these schools. That is also important in order to prevent "dropouts". We try to improve in the following way:

Addition of an extra teacher for whom we pay 50 % of the salary and the village pays 50 %. In a few years, our share shall diminish to 0 %, so our aid becomes sustainable. (This is not so easy to convince the villages about). They feel the government should pay 100% for a government school and they are used to handouts. However, our message is: Some of you are willing to pay the fee in a private school. Why not improve the government school instead? It is a struggle but it is in the right direction.)



-Out of 140 schools we estimate that 100 need an extra teacher. With 50 % contribution initially, it means 200,000 SEK/year for HiH. It is a lot of money but it also lifts dramatically the education level in these villages.

- We contribute with school material (maps etc.) and toys for the small ones.

- We form associations between teachers and parents to improve the contact between home and school.

-We run courses for teachers to create more "joyful learning" to keep the weakest children, who may not have been to school for 4-5 years or ever. We have seen that these educational methods reduce the drop-out rates.

-Just now, 15th of April - 1st of June, we start our educational camps (a sort of "vacation school") for children from the government schools. We have set up 20 camps with 500 children. There are half day courses with lunch and we use our teachers from the bridge schools, who otherwise would have summer vacation.

4. Self Help Groups (SHGs)

As mentioned, we have had great success both with expansion and the number of projects (micro enterprises) that has resulted. The base is the following:

-Women are contacted about creation of Self Help Groups. We recruit from the poorest villages where the majority is tribals, scheduled caste (earlier called untouchables) and from the lowest castes (Backward and Most Backward castes). Illiteracy is high, typically 80-85 % in these groups of about 20. One woman is "the animator" or leader and she must be able to read, write and count.

-Self Help Groups are trained in the practical matters of being an SHG (regular meetings, agendas, minutes, strengthen the group's identity, solidarity within the group etc.).

-Bank accounts are opened and the women save a small amount every month. The importance is not the size of the savings but the regularity. HiH cooperates with some 17 banks and organizes loans from these banks (10-15 % interest instead of the local money lenders' 100-150%). HiH also borrows in bulk and lends to SHGs within a few months instead of 1.5-2 years which is common with a direct loan from the bank.



- The women are trained in entrepreneurship (costs, prices, sales etc.) and further in diverse practical professions (for our part, in particular tailors).

-HiH's consultants help SHGs to put priority among the many project proposals. We also help the women to make a project calculation to make sure the project becomes a success. After the start of the enterprise, we often also help with sales and distribution, which normally is the most difficult part.

-In some areas we get help from our "business partners". E.g. the Taj Hotel chain buys our buns, order hotel uniforms and help us to set up canteen service.

-We also help SHGs to market towards government buyers (e.g. paper cups and -plates, canteen service in public offices etc.). According to the law, the authorities are obliged to put priority on products and services from underprivileged people.

-In some cases, loans have been given to micro enterprises which already exist. E.g. a family with one loom may buy another one or two etc.

We have seen some 300 projects (micro enterprises) emerge with about 1.500 employees. All are managed by women. Most are small family enterprises but a few are medium sized with 515 employees and sometimes the whole SHG is involved:

A few example of such enterprises :

- Looms
- Sewing machines
- Barber shops
- Bicycle repair shops
- Brick making
- Paper cups and plates
- Toy production
- Photo studio
- Milk cow
- Growth of vegetables for selling
- Ox cart
- Fence builders
- Canteens

- Tractor for transport
- Household chemicals (Soap, detergents)
- Tree plantation
- Energy forest
- Cups and plates of bark
- Toys of cotton and clay
- Embroidery
- Catering
- Candle manufacturing
- Baskets of bamboo
- Internet usage
- IT -training
- Watch bracelets
- Jute bags
- Temple articles (sticks, perfume, sandal wood)
- Pickles from mango
- Red chilli (powder, package)
- Sugar cane juice
- Coconut oil (press)
- Printing press
- Mushroom cultivation

SHOPS FOR

- Tiles
- Blouses
- Dresses
- Electrical Apparatus
- Flowers
- Vegetables
- Rice, tea etc

This fast expansion means that we already in the first year can see positive effects on the women's and the villages' economy. Through February, we conducted the complete planned training of 150 SHGs (3,000 women). As per June 30, 2005, the remaining 350 SHGs (around 7,000 women) will have to undergo the training. After that, the projects are coming with a certain delay. Within 12 months, our target is that the number of projects (micro enterprises) shall reach around 2,000 from these 10,000 women and the employment shall reach 10,000. This assumes a reasonable number of medium-sized projects (5-15 employees). If the family projects completely dominate, it is more likely with 2,500-3,000 projects. However, in this case also we should achieve some 10,000 employees. (Then, of course, new projects are added from newly formed SHGs.) The employment and income generating impact comes gradually.

As mentioned, the great majority of cases above are

family projects with 1 to 5 employees. To stimulate somewhat bigger projects where the whole SHG can be engaged, HiH has assembled 100 project examples. These have been put together from all of India by a consultant firm and have been adapted to the specific conditions in our part of Tamil Nadu. This manual is almost 500 pages and gives a comprehensive description of every project (raw material, equipment, manufacturing technique, quality, distribution and sales). Obviously, the individual projects must be adapted to the local conditions by our employees.



Presently, some 160,000 SEK has been lent to women within SHGs and 80,000 SEK has been saved. Amortizations of loans have so far been 99 % correct, that means almost no credit losses. That is an impressive result but a confirmation of how proud and reliable these women are.

The plan is to increase the pace in our organization of women in SHGs to 1,000-1,200 per month the next year. Even more important is that we want to increase the pace of starting new micro companies as the already formed SHGs get trained and are ready to move.

This will require increased efforts on education and training of the women. Beyond the present training courses, we can count on an increased pressure from



women who want to learn to read, write and count (adult education). Presently, we have 29 people fully engaged with SHGs + consultants. At the end of this year, we will probably have some 60 people fully employed with SHGs. That means, in particular, more teachers and business consultants for entrepreneurship.

The long-term goal remains: 100,000 women organized in SHGs within 5 years. This corresponds to 10 % of all women in the age of 18-50 years within the Kanchipuram District. We then count on some 20,000 projects and 100,000 employees. This is ambitious and the numbers are big. However, the last year's experience has rather reinforced our hopes and plans.

The value of SHGs are in summary:

-Self Help with own initiative/responsibility and hopefully growth by itself over time.

-Lifts the triple discriminated women (poor, uneducated, under the men) most of them illiterate.

-Brings the family into the monetary economy and increases income for family/village.

-Facilitates our efforts to move working children to school- better income from SHGs reduces dependence on the children's work and income.

-Pushes adult education.

-Leads in many cases to more investments (one loom becomes 2-3 looms and maybe eventually 10 looms) - like ripples on the water.

Some of the wider consequences of the emancipation of these women: Election into local political assemblies and a bigger role in the administration of the villages. Within our "sister NGO's" area, Kalvi Kendra, who has worked with SHGs for 7 years, we can note that no less than 30 % (!) of the presidents are "SHG-women". This represents an enormous change in villages, which have been dominated by fair skinned men from the upper castes.

Facing the local election 2006 (May-September) we are training "our" SHG women and encourage some of them to enter the local elections. Own income + education give these women "economic power" and greater self-confidence. We also plan some "gender training" for men. It is interesting to hear stories about how men cook food when the women are at SHG meetings and how men get employed in the women's new enterprises.

5. Olle Nursery and Primary School

Presently, there are 110 students in the school, out of which 22 are tribals (from a nearby tribal village). We have a new headmaster, we have replaced some teachers and new teaching methods have been introduced (individual learning instead of chorus reading). The teachers have been trained in "spoken English" since they earlier could not speak good English.



The school is situated close to HiH's headquarter, Emma House. It has been a little of a "face to the outside" when it comes to our efforts with children. Some children come from middle class homes and pay a school fee. According to a decision in the Swedish Board, we will now change the direction towards only the poorest Indian children. That means, of course, that the school fees will go down.

The school increases one level every year and we are congested. We will undertake some expansion to get more classrooms, space for the staff, a small lab and a library with a computer. Within 1-2 years, we count on that the school will have around 200 students.

6. Sewing Courses and Subcontract Work for Indian Garment Industry

Last year, we trained some 227 girls and young women (including widows that we prioritize) in our sewing courses. We use pedal machines + electrical machines at the end of the course. We help those who finish with employment or purchase/lease of a sewing machine for work at home. We plan to increase the capacity to 400/year in the next 12 months.

The Aina Tailoring Centre with power machines has trained 131 women, out of which 92 have got

employment at the Indian garment company "Intimate Fashions". We use the power machine centre also for subcontract work to the garment industry. A person with 40 years experience from this industry has just been employed for selling to the garment industry. We will also increase the number of girls who work as subcontractors at our centre. (We get cloth and deliver the clothes.)



We plan a tripling of this activity and have been offered sewing machines from Sweden. We also work with embroidery and embellishment of clothes.

It can be interesting to note that we also run a sewing course in a close-by school for deaf children. About 20 girls are taught to be tailors in a one-year course. We provide sewing machines and a sewing teacher. The deaf school makes available a deaf teacher, since these handicapped children need special education.

7. Diverse Village Activities

We run as mentioned earlier nurseries in the tribal villages Kilkadirpur and Orrikai.

We have also "adopted" two villages, Jenny and Markus, where we have set up library with computer facilities, provided school uniforms, built toilets, started adult education and plan tailoring courses for the girls in the villages.

8. Medical Camps + other Health Activities

During the first quarter of 2005 about 2,000 people in 11 villages have been through health examinations:

Women from SHGs	259
Old people	418
Children (many former children at work)	850
Others	508
	2,035

113 have been referred to hospitals for further treatment. The cost is in average Rs.2,000 per village or Rs. 10 each person.

Gradually, as we "cover" new villages and make them "child labour free" and start SHGs there - we will conduct annual health examinations in those villages, as described above. This means that in the 3 blocks where we work presently, we will cover 156 villages with health examinations. With the focus we have on SHG women, old people and children, we estimate this will mean about 30,000 people and a cost of about 50,000 SEK this year. When we gradually cover the whole district within 3-4 years, we will cover some 600 villages with 120,000 people at an annual health examination cost of 200,000 SEK. There is certainly high class medical care in India, but that care does not reach out to these poor villages.

Coupled to health examinations we will invest in different health campaigns:

- Anti-alcohol
- HIV
- Family planning -Nutrition (eat healthier)

We will use expertise which is available in the government sector, but we will also train some of our own. Some of these campaigns have been conducted earlier, e.g. anti-alcohol, but now we do it systematically and on a big scale.

In summary, the health program means a big and expensive activity. However, in order to lift the living standard in the villages, the health program is an important complement to the other programs.

9. Citizen Centres (earlier name - Village Resource Centres)

Gradually, as the villages get child labour free, get SHGs and the health program, we plan to build a "Citizen Centre" in each village (or rather panchayat).

We have a model of a Citizen Centre in operation and we plan to establish such houses at a fast pace in village after village. Our first Citizen Centre is located in a fairly big village with 3,000 households and 15,000 inhabitants. It functions as described below:

- a) Help with homework for children who have difficulties to follow the pace in the school (often former working children). A first group of 15 such students have been formed but we expect some 30-40 children later.

b) Library, newspapers, clips.

c) Citizen service. Help to get a passport, to register for voting, to write petitions etc. This help is important to deepen democracy, show the villagers their rights and help them to use those rights.

d) Computer training and computer services. One fairly big computer with facilities for printing, copying, fax and scanning. Two smaller computers for education. These computer courses are fully signed up.

The total investment became about 15.000 SEK (mainly computers which were donated by companies this time.) House rent and costs of personnel (computer teacher etc.) about 10,000 SEK/year. By fees for different services and course fees, we expect to cover the operating costs. The fees are low so that, even the poor can participate. Possibly, the poorest may be charged no fees. We plan that women from SHGs will take care of most of the services.

We estimate to build (or rent) 6 Citizen Centres this year and next year about 50. Within a 5 year period all 600 villages in the District will have Citizen Centres.

10. Adopted Children Programme

The adoption activity grows steadily and we have now some 180 sponsors and children. Beyond monthly food packages the children get all school expenses paid (school uniforms, books, fees etc.). The children are between 6 and 20 years of age. The older children have had sponsors for a long time.



The adopted children activity fits very well into our "working children" project. Some of these children need support for a few more years and then a donor is valuable.

11. Village Development Program - Sai Grama Trust

Sai Grama is a network of Indian trusts, which are

engaged in development work. They contacted us last summer and had heard about HiH's effective activity in the villages (SHGs and child labour project).



Sai Grama is investing some 225,000 SEK/year in a village development program that we have proposed. So far, we have worked with 5,000 families (about 25,000 people) in 11 villages and spent 150,000 SEK on uniforms, books, food packages etc. We have also engaged ourselves in clean water supply to tribal villages, whereby the government finances 90%. We have also contributed to a brick factory for tribals in "our" village Orikikai.

It is encouraging with Sai Grama Trust that we have been noticed in India for effective work with the villages.

12. The Tsunami and HiH

It happened so that P Barnevik with family arrived at the Tamil Nadu coast on the "black Sunday" when the Tsunami hit. Fortunately, the arrival was not in the morning but in the evening.

They could therefore engage in the emergency help immediately. Kalvi Kendra, our closely related NGO, could immediately mobilize their 35 employees in some fishing villages which had been affected in their area. It was a matter of clean water, food, blankets and tents for the first few days. After that we paid for books, school uniforms and household equipment, thereby helping the return of normal life. In the medium term perspective, we were committed to build new boats, buy engines and nets, since most of the earlier boats had been destroyed. This project phase will be completed within a few months.

HiH transmitted 350,000 SEK immediately and our CEO, Kalpana, is supervising the rebuilding work. We have committed to supply another 350,000 SEK if that becomes necessary to complete the boat project. This is

an extra donation, which is outside HiH's normal budget. Emergency aid is not part of our priority areas. However, when a natural catastrophe as the Tsunami hits Tamil Nadu with about 8,000 killed, we thought it was proper to make this special effort.

13. Budget 2005

(April 1, 2005 - March 31, 2006)

We estimate that the budget for current operating costs 2005, with a gradual increase of the activities, will become about Rs.110 Lakhs or Rs.11 Mill or about 1.85 MSEK.

To this comes

Sai Grama (Indian Trust)	225,000 SEK
Tsunami project, at least	350,000 SEK
	575,000 SEK

Or totally about 2.5 MSEK operating costs.

Bigger investments are not included in this but have to be decided from case to case.

The bigger items out of the 1.85 MSEK are the following:

	SEK	
1. Working children project		
field work	440,000	
transit schools	250,000	
residential schools	210,000	
	900,000	900,000
2. Self Help Groups		450,000
3. Adopted Children Program		100,000
4. Sewing courses + subcontract work		100,000
5. Olle Nursery + Primary School		100,000
6. Other activities (like health program, government Schools etc. + administration and into education)		200,000
		1,850,000



Our plans with extended health program, citizen centres, extended help to government schools, expansion of

sewing and, above all, major expansion of SHGs (Self Help Groups) will probably require about 4 to 500,000 SEK extra during the second half year.

14. Boards

The Board of Hand in Hand, Sweden consisted of:

Chairman	Olle Blomqvist (until October 28, 2004)
New Chairman	Per Blomqvist (from October 29, 2004)
Vice Chairman	Calle Tempte
Secretary	Monica Hjeltman
Cashier	Gunnel Blomqvist
Information Secretary	Tua Monica Keijser
Deputies	Jacob Gemmel Ewa Bergstrom

The Board has met 10 times during the year.

The Board of Hand in Hand Tamil Nadu consists of:

Managing trustee	Dr. Kalpana Sankar
Trustees	Mrs. Sudha Ramalingam Mr. Rajesh Menon Mr. Chinnappan Mrs. Mangala Ayre Mrs. S Hemalatha Mr. Venkat Reddy, M.V.F.
Advisors	Percy Bamevik Gunnel Blomqvist Olle Blomqvist Per Blomqvist

The Board has met 4 times during the year.

15. Review beyond 2005

A. General

Hand in Hand's overall goal is to contribute to elimination of poverty. It can be condensed like that because most troubles in a developing country have their roots in poverty, sometimes extreme poverty. (Like working children etc.)

We do that by putting working children into schools and make schools achieve higher quality. Further, we do that by helping the women's projects/micro companies lift them, the families and the villages economically. This increased economic power for women also leads to increased social- and political power.

Vocational trainings, like sewing courses and apprenticeships for boys, the Health Program, the Citizen Centres and the Adopted Children Program all contribute to reaching the goal.

The question is in which way we can use our resources to get maximum development impact? Of course, we do that by building on the foundation we have in District Kanchipuram. That also means building on the competence we have earlier described. But can we do something more?

B. Women Self Help Groups

This is the area where, we in a short period of time, have built a special competence to contribute to a fast creation of income generating projects in the villages. There are many SHGs in India and, by the way, in the developing world. Unfortunately, it often stops with formation of groups. At best, the SHGs get going with savings and loans. But the loans most of the time go for consumption and when the loans have been repaid, they are back to zero. (It is common in India that banks give a revolving credit to an SHG of Rs.25,000. The money is consumed. Then the SHG struggles to repay the Rs.25,000 and are back to zero.) The quantity of projects which generates income and employment is in many cases unfortunately small.

Through our way of working and with the personnel we have, we estimate that we can achieve 200-300 projects per 1,000 women (in 50 SHGs) with about 1,000 employed. 100,000 organized women should after a certain time be able to create 100,000 jobs. The vast majority of micro enterprises are family companies with maybe 2-3 employees. However, gradually the number of "group projects" with 5-15 employed will increase. As mentioned before we have just produced a manual with 100 typical medium-sized projects (5-15 employees). In this manual of 500 pages, one can read about raw material, production technology, distribution channels, sales, pricing and customers. This helps making project calculations. Together with our industry experts and consultants hired from the outside, we believe that we can substantially increase the medium-sized projects.

Our strength with SHGs is a combination of:

- Unified (socially and economically), loyal and enthusiastic women groups.
- Intense training with emphasis on entrepreneurship and practical cases.
- A unique financing where we borrow bulk and lend retail to make capital available very early for family projects (compared to a waiting time of 1-2 years in the traditional bank lending).

-Strong support to the women at the start of the projects and follow-up the first year.

-Utilizing our ties with private companies as helpers and customers.

- Try to exploit the possibilities with authorities that according to law must put priority on products and services from the most impoverished groups.

Roads towards further expansion are:

a) Consulting work. We must then get a certain surplus of trainers and experts who sell their services to other NGOs in India or the neighbouring States. Thereby, we can indirectly leverage our knowledge and indirectly positively impact on a much bigger scale.

It can be mentioned that the South African Government was informed about Hand in Hand's activities in India. South Africa has some 20-25 Mill poor people, mainly in villages. Some villages lack electricity, illiteracy is high and there is high unemployment. They look for successful implementation with Self Help Groups with resulting micro companies and employment. In March this year, the country's Minister of Agriculture together with a delegation visited Hand in Hand in Kanchipuram. They were very impressed by what they saw of job creation in the SHG-activities. In April, we make our CEO available together with a team to support them in South Africa to achieve good results from SHGs.

b) We can also consider a faster expansion of SHGs in Tamil Nadu - even outside the Kanchipuram District. Beyond our own expansion from scratch with new creation of SHGs, we can offer to help other SHGs who have failed to create micro companies and employment. Some NGOs have failed even with the basic micro financing. We are open and flexible to different solutions. We do not care how SHGs were originally created. We only care about getting development results with new enterprises, growing old enterprises, income generation and employment. If we can put our "job creation machine" to work also with old SHGs without projects - so much the better. These matters are a little complicated and we have to examine the potential cases individually.

c) Vocational training. When it comes to education we have so far focused on children and the basic school, including getting children from work to school. Unfortunately, after the regular government school, many children go from school to unemployment, since

they lack a vocational training. (Some children, of course, also go to universities and colleges.)

The vocational training we have focused on is sewing and tailor education. We have had good success and created increased employment in the blocks around the city of Kanchipuram. Even here, we have reached a certain saturation. We probably will set up a new sewing centre closer to Chennai when we expand.

We are discussing presently with the Government about a big weaving project, where we would get some 100 looms and building facilities to train weavers. We would then also get orders for weaving products, like we do today in the sewing activity. The economic size of this project is about 650,000 SEK.

We also discuss with construction companies about extended apprentice systems for boys (carpenters, masons, plumbers and electricians).

There are also a number of other professions which can be worthwhile to consider. We will come back to this.

d) Financing. The expansion, of course, requires increased financing. We have "spontaneously" got some donations from companies and organizations in India. We also count on some contributions from ILO to the SHGs and from the World Bank to the working children project. But we have so far not actively worked with promotion.

We can now show good results, which mean big development impact per invested dollar. We also keep the overhead at an absolute minimum. We also have a

strong control system, which safeguards that no money "leaks out". What is invested goes to the projects.

We also believe that we have projects, which may be attractive to many potential donors: To bring children from work to school and to lift women with SHGs to generate income for women, families and villages.

The number of members in the HiH association in Sweden is presently 224. It is very important that we can increase the membership and particularly the adoption parents. The personal engagement from many people is also important for the future. Per Blomqvist with the Swedish Board work to improve the communication so that members via Internet can follow the activities more in detail. We also encourage travel to India. It is important to remember that each extra dollar gives an extra development impact. Individual donors or school classes or schools or companies can also donate from small amounts upwards. HiH, Tamil Nadu is prepared to report back with photos etc. so that the donor can see exactly how the donation has been used.

Both the Swedish and Indian Boards can also consider how bigger donations can be received from companies.

16. Thanks from the Boards

The Boards hereby express their thanks to all sponsors and adoption parents, who during the year have contributed to our activities in different ways.

April 2005

The Board of Hand in Hand, Sweden
The Board of Hand in Hand, Tamil Nadu

AROCKIASAMY & RAJ

Chartered Accountants
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Dr. Radhakrishnan Salai, Chennai 600 004.

HAND-IN-HAND TAMILNADU**CONSOLIDATED RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 01.04.2004 TO 31.03.2005**

Receipt		Sch. No.	Rs.	Payments Out of Grants		Sch. No.	Rs.
I Opening Balances				I Payment made towards :			
Cash in Hand			3,904	Programme & Admn. Expenses			
Cash at Bank :				Hand-in-Hand Admn. Exp.	1	1,240,261	
Canara Bank S/B A/C 20216				Malin Tribal School	2	51,828	
Canara Bank S/B A/C 20217			1,000	Creche Programme	3	55,099	
Canara Bank S/B A/C 20651			4,629	Evening School for Weavers	4	95,571	
				Olle Nursery and Primary School	5	345,947	
				Tailoring Project	6	109,773	
				Aina Power Tailoring Centre	7	124,756	
				Gunnel Adopted Children Prog.	8	308,719	
				Child Labour Elimination Prog.	9	691,103	
				Transit School	10	87,722	
				Residential School Project	11	310,904	
				General Contribution expenditure	12	34,976	
				Village Adoption Programme	13	50	
				Self Help Groups	14	254,354	
II Grants Recd. from Hand-in-Hand Sweden				II Payments made towards :			
For Prog & Admn. Exp.			5,703,719	Capital Expenditure :			
For Capital Purposes			1,451,198	Tata Sumo		350,000	
				Computer		44,815	
				Power Machinery		197,000	
				Electrical Instalation		135,364	
				Furniture		90,338	
				Cell Phone		8,200	
				Gas Equipments		5,232	
				Bicycle		1,964	
				School Building		662,884	
				Asset / Steel Rack		12,577	
				Asset / T.V.S. Suzuki		15,000	
III Revenue Receipts				III Other Payments & Advances :			
Interest on Fixed Deposits				Advances		150,000	
Bank Interest			15,628	Motor Cycle Advance		12,900	
School & Van Fees Collection			111,739	Rent Advance		25,000	
Tailoring fees collection			43,197	Staff Advance		2,500	
Other Receipts (VHERDS)			160,000	Lease Advance		6,000	
Stitching Charges Received			3,879	IV Loan Payments			
Sale of Petty Coats			9,950	Bank Loan - Repayment		170,000	
Other Receipts			13,754	V Deposits - Payment			
Donation			652,261	Fixed Deposits		300,000	
SHG Subscription			8,258	VI SHG Loan Payments			
SHG Loan Interest Recovery			30,650	Loan issued to Groups		900,200	
IV Other Receipts and Advances				VIII Closing Balances :			
Amount recd from Accident fund			14,000	Cash in Hand		146,847	
				Cash with Bank			
				Canara Bank S/B A/C 20217		1,999,040	
				Canara Bank S/B A/C 20651		4,796	
				Indian Bank S/B A/C 8109		700,569	
				Dena Bank S/B A/C 404692		17,050	
V Loan Receipts from Banks							
Bank Loan			800,000				
VI SHG Loan Receipts							
SHG Loan Recovery							
Security Deposits (SHG)			153,565				
VII Canara Bank S/B A/C 20216							
Interest Payable			5,526				
Total			9,669,338	Total			9,669,338